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C O N F I D E N T I A L SAN SALVADOR 001103

STPDTS

E.O. 12958: DECL: 2019/12/15 TAGS: <u>PGOV PREL ARENA ES</u>

SUBJECT: ARENA Expels Former President Saca

CLASSIFIED BY: RBlau, Charge, State, FO; REASON: 1.4(B), (D)

11. (SBU) On December 14, (conservative) ARENA's Executive Council (COENA) expelled former President Antonio Saca (2004-2009) from the party, charging that he had misspent \$219 million of unaccounted-for government funds, and citing improprieties in the 2008-2009 electoral process, claiming Saca had pressured mayors to vote for specified candidates under penalty of being excluded as ARENA municipal candidates. COENA also accused Saca of conspiring to divide ARENA with twelve deputies who split from ARENA to create a new political faction (GANA) in the Legislative Assembly. COENA said Saca improperly transferred government funds to bolster his own image, despite funding shortages for public health and safety. Saca defended himself in a December 13 telephone interview with center-left online newspaper El Faro, saying that the move was engineered by ARENA members loyal to current COENA president (and former President from 1989-1994) Alfredo Cristiani who feared that Saca would seek re-election, which Saca denied. He also claimed the funding transfer was authorized by law.

¶2. (C) Comment: Although coming as no surprise, ARENA's decision fractures the party at a time when the ruling FMLN party's hard-core socialist membership is consolidating its power. This presents a challenge not only to ARENA, perhaps of its own survival, but also to President Funes, as the FMLN continues its long march to Chavez-style socialism in defiance of Funes's attempts to steer the party in a more moderate direction.

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